

**MONTECITO RETIREMENT ASSOCIATION**

**RESOLUTION OF THE BOARD OF DIRECTORS OF MONTECITO  
RETIREMENT ASSOCIATION APPROVING THE FORM AND  
AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS IN  
CONNECTION WITH AN INSTALLMENT SALE FINANCING AND  
DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO**

RESOLVED, by the Board of Directors (the "Board") of Montecito Retirement Association (the "Borrower"), as follows:

WHEREAS, the Board has determined to refinance the acquisition, construction and equipping of retirement facilities located at 300 Hot Springs Road, Montecito, California, which facilities are owned and operated by the Borrower (the "Project") and, therefore, to provide for the redemption of the certificates of participation evidencing proportionate interests of the holders thereof in payments to be paid by Santa Barbara County (the "County") from payments to be received from the Borrower, originally executed in the principal amount of \$19,310,000, of which \$13,025,000 is currently outstanding (the "2004 Certificates");

WHEREAS, to refinance the Project and to refund the 2004 Certificates, the County and the Borrower will enter into a first installment sale agreement (the "First Installment Sale Agreement") pursuant to which the Borrower will sell certain facilities (the "Facilities") to the County and the County will agree to make purchase payments therefor;

WHEREAS, to obtain revenues to permit the County to make such payments under the First Installment Sale Agreement, the County will concurrently sell the Facilities back to the Borrower under a second installment sale agreement (the "Second Installment Sale Agreement") and the Borrower will make installment payments to the County;

WHEREAS, the County and the Borrower will each assign its respective right to receive payments under the First Installment Sale Agreement and the Second Installment Sale Agreement to Santa Barbara Bank & Trust, N.A. (the "Lender");

WHEREAS, the Lender will make an upfront payment in exchange for its right to receive the payments under the First Installment Sale Agreement and the Second Installment Sale Agreement and such amounts will be used to refinance the Project and to pay costs of issuance associated with the installment sale financing; and

WHEREAS, the Board wishes to take action to approve the installment sale financing and to authorize the execution and delivery of certain documents relating thereto;

NOW, THEREFORE, it is hereby DETERMINED, as follows:

*Section 1.* The forms of the below-enumerated documents be and the same are hereby approved, and the Chairman, the Vice Chairman, the President or the Vice President are hereby authorized and directed on behalf of the Borrower to execute and deliver said documents, with such changes, insertions and omissions as may be approved by the official executing the document, which execution and delivery shall constitute conclusive evidence of the Borrower's

approval of any and all changes or revisions therein, and the Secretary or any Assistant Secretary are hereby authorized and directed to attest to such official's signature:

(a) the First Installment Sale Agreement;

(b) the Second Installment Sale Agreement, so long as the principal amount thereof does not exceed \$12,000,000, so long as the term thereof does extend beyond April 1, 2022, and so long as the interest rate payable therewith does not exceed 3.425% per annum;

(c) a second assignment agreement, by and between the Borrower and the Lender; and

(d) a deed of trust by the Borrower for the benefit of the Lender and the holders of Parity Debt (as defined in the First Installment Sale Agreement and the Second Installment Sale Agreement).

*Section 2.* The Chairman, the Vice Chairman, the President, the Vice President, the Secretary or any Assistant Secretary are hereby authorized and directed to do any and all things and to execute and deliver any and all documents which they deem necessary or advisable in order to consummate the transactions contemplated in connection with the installment sale financing and to carry out all of the provisions of such documents.

*Section 3.* This resolution shall become effective upon its passage and approval.

#### CERTIFICATION

This is to certify that the foregoing is a true copy of a resolution, as the resolution appears on the minute books of the Borrower, adopted by the Board of Directors of Montecito Retirement Association at a meeting of said Board held on February 28, 2012, which was called and held pursuant to and with all notice required by law and the Bylaws of the Borrower and at which meeting a quorum was initially present and a majority of which was acting throughout.

IN WITNESS WHEREOF, I have hereunto set my hand as Secretary this \_\_\_\_\_,  
2012,

By \_\_\_\_\_  
Secretary